Labour Market Notes

Gains in full-time positions lift employment

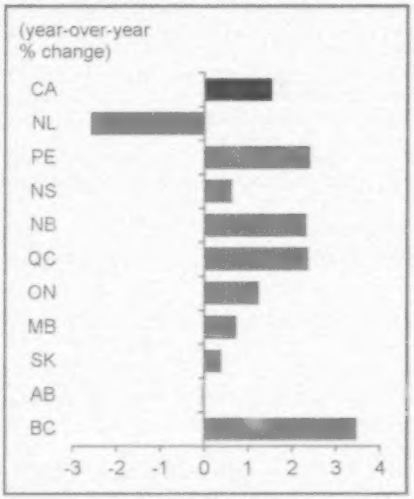
Alberta

- Employment continues to improve. In March, Alberta's employment grew by a solid 20,400. Employment has increased in seven of the last eight months, gaining 39,600 since the low in July 2016.
- Gains in full-time, private sector and self-employment. For the second month in a row, all of the job gains were entirely in full-time positions (+20,700). The private sector added 8,200 jobs, while the ranks of the self-employed continue to grow (+10,500), increasing for the fourth straight month.
- Employment near last year's level. On a year-over-year basis, employment was little changed declining by 1,600 or 0.1%, as declines in the goods sector (-32,100) were nearly offset by gains in the service sector (+30,600).
- Goods sector stabilizing. Employment increased in both the goods-producing (+5,300) and service-producing (+15,100) sectors. Employment in the goods sector continued to stabilize, increasing in six of the last eight months. The monthly gain in the goods sector was concentrated in the hard hit manufacturing (+5,000) and agriculture (+2,200) industries.
- Unemployment rate ticks up to 8.4%. The unemployment rate increased by 0.1 percentage point to reach 8.4% in March as the growth in the labour force (+24,900) outpaced employment growth.
- Participation rate surges. The participation rate increased 0.6 percentage point to reach 73.1%, well above the June 2016 low of 71.9% and the highest level since September 2015.
- Earnings fall in January. Average Weekly Earnings (AWE) decreased 2.0% in January to $1,113, reversing most of gains from the previous two months. Earnings remain soft 0.5% lower than a year ago.

Canada

- Employment gains continue. Canadian employment increased by 19,400 in March, the fourth consecutive monthly increase. The monthly gain was led by Alberta (+20,400) and Nova Scotia (+4,600), while employment in Ontario declined for the first time in eight months (-11,200). Year-over-year, Canadian employment grew by 276,400, well above the pace in 2014-15.
- Unemployment rate inched higher. The Canadian unemployment rate grew by 0.1 percentage point to 6.7% in March as the participation rate increased.
- Canadian earnings fall. Canadian average weekly earnings (AWE) fell 0.4% month-over-month in January to reach $967. Despite the monthly decline earnings are up 1.8% from a year ago.

Employment Growth by Province, March 2017 vs. March 2016



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,269,500
month-over-month change	20,400
year-over-year % change	0.1%
Alberta Unemployment Rate (UR)	8.4%
Edmonton UR**	8.4%
Calgary UR**	9.3%
Participation Rate	73.1%
Average Weekly Earnings (AWE)	$1,112.95
year-over-year % change	-0.5%
Average Hourly Wage	$29.89
year-over-year % change	0.3%
Job Vacancy Rate***	1.2%

Source: Statistics Canada

* All data is from the March 2017 Labour Force Survey, except AWE which is the January 2016 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for December 2016.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

Alberta Government

April 2017
Treasury Board and Finance
Economics and Revenue Forecasting

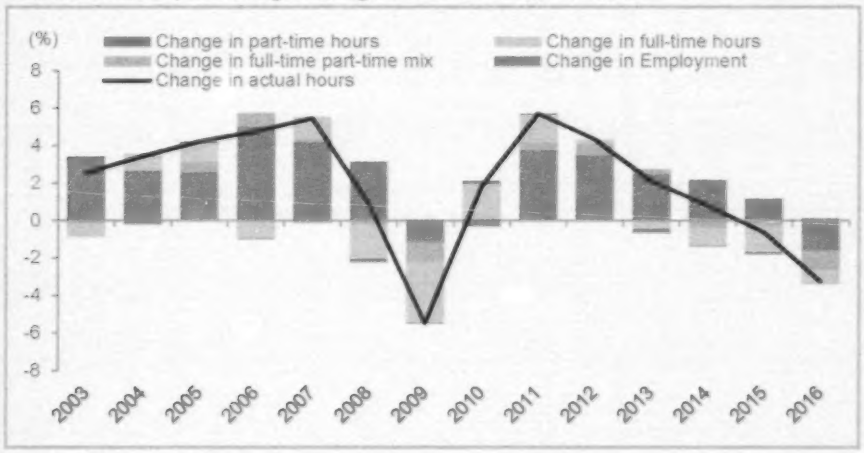
Fewer hours worked in Alberta during the downturn

Total hours worked declined by 3.1% in 2016, the largest annual decline since 2009, and significantly more than the 1.6% decline in employment. This labour insight looks at the factors driving the decline in hours worked.

Hours worked fall with employment and composition

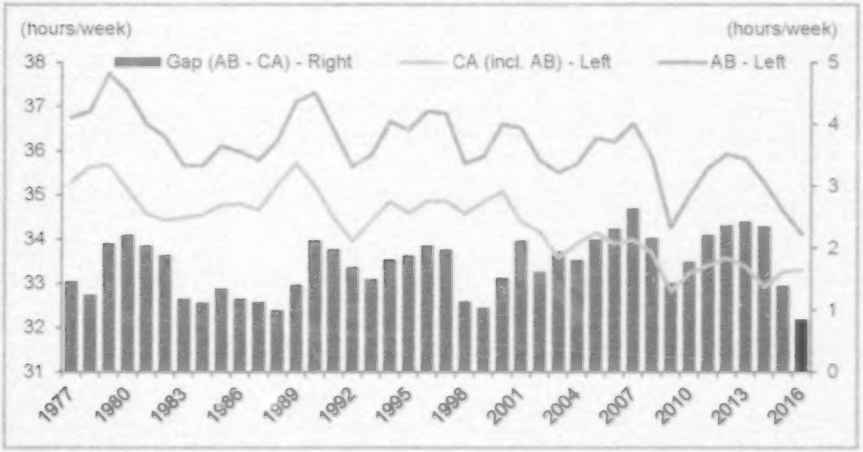
The fall in employment in 2016 was the main driver of the decline in hours worked. The effect was compounded by the fact that all the losses were in full-time positions, while part-time employment increased. Overall employment declined by 1.6% in 2016 with 68,800 job losses in full-time positions and a gain of 31,500 in part-time employment. With full-time employment declining and part-time employment increasing, the decline in total hours worked was greater than the net change in employment in 2016. The decline in employment and the change in the composition represented over two-thirds of the drop in total hours worked (Chart 1).

Chart 1: Hours worked decline with full-time employment and hours
Contribution to percentage change in actual hours worked



Source: Statistics Canada

Chart 2: Albertans work more hours
Average actual hours worked per week, all workers



Source: Statistics Canada

Fewer full-time hours

Total hours worked dropped even further as the average hours worked per week declined for full-time employees. As employers cut back hours and overtime, there were fewer Albertans working more than 39 hours per week and more employees working shorter work weeks of 30-39 hours per week in 2016. As a result, the average weekly hours worked by full-time employees decreased by 0.3 hours to 38.2. This decline in average hours worked per week was also partly due the changing industry composition of employment. Full-time employees in the goods-producing industries tend to work more hours relative those in the service-producing industries. Given that job losses were concentrated in the goods sector, this contributed to fewer average hours worked per week.

Secular decline in hours

Although most of the decline in average weekly hours is due to the downturn in Alberta, some of it could also be due to a secular trend. The length of the work week has been declining in Alberta and across Canada since the late-1970s. Albertans have historically worked more hours than the rest of Canada and the downturn reduced the gap. Nonetheless, Albertans continued to work 0.8 more hours per week than the average Canadian (Chart 2).

Have a question or idea for Labour InSight? Send us an *email*.

Contact

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